

Press Release

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South African Institute of Race Relations

The power of ideas

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Only 4 in 10 people of working age have a job – IRR report

Less than half of South Africans of working age have a job. This is a finding of the *2017 South Africa Survey* published by the IRR, based on Stats SA data.

According to IRR employment analyst, Gabriela Mackay, “Just 43.3% of South Africans of working age are employed. The figure is lowest for black South Africans, who demonstrate a labour market absorption rate of just 40.4%. These figures are low, especially when compared to many similar economies.

The labour market absorption rates measures the proportion of people of working age who are employed. It is an excellent gauge to draw comparisons of the health of labour markets across and within economies.

The IRR has found that South Africa’s absorption rate depends largely on a person’s level of education. For example, the absorption rate for people with a tertiary education is 75.6%, while that for people with matric as their highest level of education is 50.3%.

Using Stats SA data the IRR’s *South Africa Survey* found:

- The number of unemployed people (according to the expanded definition) has increased from 3.7 million in 1994 to 9.3 million in 2017;
- Of the 9.3 million unemployed people, 6 million are under the age of 35 and young people show far higher rates of unemployment than older people;
- Of the 9.3 million unemployed people, 8.3 million are black and the unemployment rate for black people is between 4 to 5 times higher than that of white people – again a reflection of differing skills profiles

According to Ms Mackay, “we estimate that reducing South Africa’s unemployment to international norms will require doubling the number of people with a job over the next decade. That will require sustainable growth rates significantly in excess of 6% of GDP. At the current rate of economic growth, there will be limited job creation – and quite possibly, job shedding across several industries. This will worsen the unemployment crisis and the political tensions that flow from South Africa’s high unemployment rates.”

The IRR is a think tank that promotes political and economic freedom. Follow the IRR on Twitter at [IRR South Africa](#)

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